



DAVID CULLEN

Milwaukee County Treasurer

DATE: June 15, 2015

TO: County Executive Chris Abele
County Board Chairwoman Marina Dimitrijevic
Director of Planning, Strategy & Budget Steven R. Kreklow

FROM: County Treasurer David Cullen

SUBJECT: 2016 Budget Submission

Please find the requested budgets for the following:

3090 - Milwaukee County Treasurer	1901-4980 Unclaimed Money
1992-1859 Earnings on Investments	1999-4999 Other Miscellaneous Revenue
1989-6028 Investment Advisory Services	

In addition, the following attachments are enclosed:

Schedule of fees and charges
Certification of Requested Expenditures, Revenues and Tax Levy

The County Treasurer's Office is an office comprised of eight employees who are equipped to provide essential services. All of the real estate, banking, investment, and accounting services performed by this office are enumerated by the State Constitution and defined by State Statutes. Continuity of these services is critical to the day-to-day operation of county government.

Although a new RFP for investment advisory services and custodial banking services was issued in 2014, the Recommended Budget includes no change in investment advisor services fees and includes realistic adjustments in the projections of investments revenues. These projections are based upon operational experience and the professional advice of our investment managers.

Given the continual evolution and constantly changing regulations of banking and investment institutions, the restructuring of the functions and procedures of this department is a continual and ongoing process. Each county department's banking services are reviewed annually by this office with the goal of providing service upgrades that are implemented on a department by department basis. Management of property tax and land records information continues to be refined and improved. Office personnel classifications and office functions are continuously reviewed, cross training is regularly updated, and the banking and investment services provided by this office are monitored and audited annually.

COUNTY TREASURER (3090) BUDGET

DEPT: County Treasurer

UNIT NO. 3090
FUND: General - 0001

Budget Summary

Category	2014 Budget	2014 Actual	2015 Budget	2016 Budget	2016/2015 Variance
Expenditures					
Personnel Costs	\$720,976	\$636,902	\$750,038	\$786,478	\$36,440
Operation Costs	\$800,727	\$1,551,799	\$723,772	\$702,777	(\$20,995)
Debt & Depreciation	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Interdept. Charges	\$104,178	\$115,499	\$131,112	\$259,014	\$127,902
Total Expenditures	\$1,625,881	\$2,304,200	\$1,604,922	\$1,748,269	\$143,347
<i>Legacy Healthcare-Pension</i>	\$172,886	\$146,333	\$168,516	\$188,443	\$19,927
Revenues					
Direct Revenue	\$5,116,411	\$3,749,840	\$4,826,000	\$4,760,000	(\$66,000)
Intergov Revenue	\$0	\$0	\$0	\$0	\$0
Indirect Revenue	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$5,116,411	\$3,749,840	\$4,826,000	\$4,760,000	(\$66,000)
Tax Levy	(\$3,490,530)	(\$1,445,640)	(\$3,221,078)	(\$3,011,731)	\$209,347
Personnel					
Full-Time Pos. (FTE)		5	7.5	7.5	0
Seas/Hourly/Pool Pos.		0.5	0	0	0
Overtime \$		\$0	\$0	\$0	\$0

Department Mission: The Milwaukee County Treasurer's Office will provide prompt, high-quality services to sustain the overall operation of County government for the benefit of its citizens by efficiently carrying out the functions of cash receipt and disbursement, property tax services, and investment.

Department Description: The Office of the Treasurer has two distinct service areas.

The Banking Services and Property Tax Collection service area is responsible for banking functions, bank account and money management, and the collection of delinquent property taxes for 18 municipalities throughout the County. The County purchases delinquent tax receivables from municipalities and then collects outstanding balances and administers foreclosure proceedings.

The Investment Management service area is responsible for the short-term investment of operating funds not needed for immediate use. The County sets the investment policy and independent contracted investment advisors directly manage the funds to maximize investment revenue.

COUNTY TREASURER (3090) BUDGET

DEPT: County Treasurer

UNIT NO. 3090
FUND: General - 0001

Strategic Program Area 1: Banking Services & Delinquent Property Tax Collection

Service Provision: Mandated

Strategic Outcome: High Quality, Responsive Services

What We Do: Activity Data			
Item	2014 Actual	2015 Budget	2016 Budget
Checks Issued	74,400	100,000	100,000
Delinquent Tax Notices Processed	3,762	8,000	8,000
Unpaid Property Tax Parcels Submitted	2,713	6,000	4,000

How We Do It: Program Budget Summary					
Category	2014 Budget	2014 Actual	2015 Budget	2016 Budget	2016/2015 Var
Expenditures	\$1,365,881	\$2,304,200	\$1,344,922	\$1,488,269	\$143,347
Revenues	\$3,405,000	\$3,725,139	\$3,505,000	\$3,505,000	\$0
Tax Levy	(\$2,039,119)	(\$1,420,939)	(\$2,160,078)	(\$2,016,731)	\$143,347
FTE Positions		5.5	7.5	7.5	0

How Well We Do It: Performance Measures				
Performance Measure	2013 Budget	2013 Actual	2014 Budget	2015 Budget
Performance Measures have not yet been developed for this service area.				

Strategic Implementation:

7.5 FTE are provided in this service area to oversee banking functions and money management. The 2016 budget for this service area maintains the same level of service.

COUNTY TREASURER (3090) BUDGET

DEPT: County Treasurer

UNIT NO. 3090
FUND: General - 0001

Strategic Program Area 2: Investment Management

Service Provision: Mandated

Strategic Outcome: High Quality, Responsive Services

What We Do: Activity Data			
Item	2013 Actual	2014 Budget	2015 Budget
This Service Area has no Activity Data			

How We Do It: Program Budget Summary					
Category	2014 Budget	2014 Actual	2015 Budget	2016 Budget	2016/2015 Var
Expenditures	\$260,000	\$0	\$260,000	\$260,000	\$0
Revenues	\$1,711,411	\$24,701	\$1,321,000	\$1,255,000	(\$66,000)
Tax Levy	(\$1,451,411)	(\$24,701)	(\$1,061,000)	(\$995,000)	\$66,000
FTE Positions		0	0	0	0

How Well We Do It: Performance Measures				
Performance Measure	2014 Budget	2014 Actual	2015 Budget	2016 Budget
Return on Investment	0.49%	0.58%	0.53%	0.53%
Investment Income per dollar spent on Investment Advisory Services	6.58	8.96	5.08	4.71

Strategic Implementation:

In 2014, Earnings on Investments and Investment Advisory Service are shifted from non-departmental accounts to a service area under the Office of the Treasurer. Earnings on all Funds for 2016 is budgeted at the same level as the 2015 Budget. The 2016 Earnings on Bonds Allocated to Capital and Debt Service Funds is increased by \$66,000 from \$209,000 to \$275,000. This is based on the 2014 actual allocation of approximately \$255,000 and the estimated size of the 2015 general obligation bond issuances. Thus, resulting in a \$66,000 reduction in General Fund Earnings from the 2015 projected amount.

Statistical Reporting Data	2014 Actual	2015 Budget	2016 Budget
Earnings on all Funds (net of Mark-to-Market)	\$2,347,071	\$1,877,000	\$1,877,000
Earnings on Trust Fund Reserves and other Deferred Interest Liabilities	(\$400,660)	(\$347,000)	(\$347,000)
Earnings on Bonds Allocated to Capital Fund and Debt Service Fund	(\$235,000)	(\$209,000)	(\$275,000)
General Fund Earnings	\$1,711,411	\$1,321,000	\$1,255,000

COUNTY TREASURER (3090) BUDGET

DEPT: County Treasurer

UNIT NO. 3090
FUND: General - 0001

County Treasurer Budgeted Positions				
Title Code	2015 Budget	2016 Budget	2016/2015 Variance	Explanation
Accountant Treasury-	1	1	0	
Assistant Accounting Treasury-	1.5	1.5	0	
Assistant Administrative	1	1	0	
Associate Accountant Treasury-	1	1	0	
County Treasurer	1	1	0	
Manager Accounting Treasury	1	1	0	
Sr Accountant Treasury	1	1	0	
TOTAL	7.5	7.5	0	

REQUESTED 2016 BUDGET

DEPT: UNCLAIMED MONEY

UNIT NO. 1901
FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

Pursuant to Section 59.66 of the Wisconsin Statutes, the County Treasurer is to publish a notice of the fact that the Treasurer's Office possesses unclaimed money. If no legal claim is made within the time specified in such notice, all funds and interest earned are to be turned over to the General Fund of the County treasury.

BUDGET SUMMARY			
	2014 Actual	2015 Budget	2016 Budget
Unclaimed Money	\$ 0.00	\$ 1,250,000	\$ 0.00

NON-DEPARTMENTAL DESCRIPTION

According to State Statutes 59.66 Section 2 (2a) "Any money or security of which the treasurer has taken possession or control under paragraph 1 (a) and has had in his or her possession or control for more than one year shall, to the extent possible, be deposited into the County's 'General Fund'.

BUDGET HIGHLIGHTS

- Every other year, the Treasurer widely advertises unclaimed funds before they are forfeited. As a result, this revenue fluctuates from one year to the next and is difficult to predict. In 2016, unclaimed funds are projected to be \$ 00.0. Monies identified and submitted to this office as unclaimed from calendar years 2015 and 2016 will be published in early 2017.

REQUESTED 2016 BUDGET

DEPT: OTHER MISCELLANEOUS REVENUE

UNIT NO. 1999
FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

Pursuant to Section 59.60 of the Wisconsin Statutes regarding submission of annual budget estimates, an estimate of revenue from all other sources is included in the budget.

BUDGET SUMMARY			
	2014 Actual	2015 Budget	2016 Budget
Other Misc. Revenue	\$ 8,738	\$ 0.00	\$ 0.00

Miscellaneous revenue for the last five years is summarized in the following table.

<u>Year</u>	<u>Revenue</u>
2010	904,157
2011	835,421
2012	350,518
2013	158,441
2014	8,738

BUDGET HIGHLIGHTS

- The 2016 Budget amount consists of \$0.00 from the cancellation of uncashed County Checks and Jury Fee revenue from County employees on Jury Duty.
Uncashed County Checks will be accounted for in the Unclaimed Money Budget and revenue from Jury Duty checks is difficult to project because employees are no longer supposed to receive them.

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : June 15, 2015
TO : Director of Performance, Strategy, & Budget
SUBJECT : Certification of Requested Expenditures, Revenue, Tax Levy and Positions

This is to certify that the 2016 requested budget as entered into BRASS and SBFS is the Department's requested expenditure appropriation and revenue projection necessary for the efficient operation of the Department. I certify that the requested budget, if adopted, would allow the Department to operate without requiring any additional funding and that all revenue estimates are reasonable and achievable.

I also certify that the information submitted, including all supporting schedules, conforms to the instructions in Budget Procedure 4.02 of the Milwaukee County Administrative Manual; and that the documentation submitted adequately justifies the Department's budget request.

I also certify that the submitted budget narrative conforms to the specifications in the Budget Instructions.

I am requesting expenditures in the amount of	\$	<u>1,748,269</u>
I am estimating revenues in the amount of	\$	<u>4,760,000</u>
I am requesting Tax Levy in the amount of	\$	<u>(3,011,731)</u>
Our directed Tax Levy Target is	\$	<u>(3,011,731)</u>

I am also submitting the following attachments required of all departments by County Board resolution or ordinance:

- *Schedule of Lease Agreements - New and Existing Leases (per Resolution 94-614)*
- *Fleet Utilization Report*
- *Job Evaluation Questionnaire for New Positions (when applicable)*

Department Administrator's Signature



Department Name

Office of the Treasurer

Department Organizational Unit #

3090

John	Treasurer
Org Unit	Organizational Unit Name
David Cullen	Department Administrator

2016
Budget Year

Schedule of Lease Agreements - Existing Leases

Low Org	BRASS Object	Description and Purpose	LEASE TERMS			ANNUAL COST OF LEASE		
			Number of Months	Interest Rate	Expiration Date	Requested Amount	Recommended Amount	Adopted Amount
		NONE						
Total								

Schedule of Lease Agreements - New Leases

Low Org	BRASS Object	Description and Purpose	LEASE TERMS			ANNUAL COST OF LEASE		
			Number of Months	Interest Rate	Expiration Date	Requested Amount	Recommended Amount	Adopted Amount
		NONE						
Total								